

Message Text

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TAGS: BDIS, EMIN, PE

SUBJECT: MARCONA - MINES MINISTER STATES COMPANY WILL
BE NATIONALIZED AT SOME POINT

REF: LIMA 10164

1. ACCORDING TO FRONT-PAGE STORY DECEMBER 23 IN "LA PRENSA," WHICH CARRIES HEADLINE "MARCONA WILL BE NATIONALIZED IN ANY CASE," MINES MINISTER JORGE FERNANDEZ MALDONADO, IN CLOSING CEREMONY AT A SEMINAR IN ICA, STATED ON DECEMBER 22 THAT MARCONA WILL BE NATIONALIZED AND THAT THE GOP IS STUDYING THE MANAGEMENT CONTRACT WHICH MARCONA HAS PRESENTED. STORY NOTES THAT MINISTER SAID THE COMPANY WILL PASS INTO THE HANDS OF THE STATE, BUT THE "WHEN" AND THE "HOW" ARE BEING STUDIED BY GOP. MINISTER EXPLAINED THAT SUCH A COMPLEX IS A BASIC INDUSTRY, FALLING WITHIN THE DEFINITIONS ESTABLISHED BY THE REVOLUTIONARY STATUTE FOR INDUSTRIES WHICH WILL BE RUN BY THE STATE, AND IT WILL THEREFORE BE NATIONALIZED.

2. STORY ALSO NOTES THAT VICTOR HUGO LANDEO, ALLEGEDLY A WORKER-DIRECTOR OF THE COMPANY, CRITICIZED THE COMPANY FOR NOT ALLOWING THE WORKERS TO MEET WITH THE MINISTER
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AT MARCONA, ACCUSING THE COMPANY OF "SABOTAGE." STORY

QUOTES COMPANY DIRECTOR, ENRIQUE EAST, AS STATING THAT THE COMPANY IS FOLLOWING THE REVOLUTIONARY PATH (LA EMPRESA ES REVOLUCIONARIA) AND THAT IT HAS ALWAYS SUPPORTED THE GOP. IF THE COMPANY HAS ANNOUNCED THERE HAVE BEEN LOSSES, THEN SUCH IS THE CASE. (NOTE: LOCAL MARCONA MINING "COMMUNITY" HAS CLAIMED THAT MARCONA HAS FALSIFIED BOOKS TO INDICATE PHONY LOSSES. IN FACT, ON THE PREVIOUS DAY, DECEMBER 22, "EL COMERCIO" CARRIED A STORY QUOTING THE PRESIDENT OF THE MARCONA MINING COMMUNITY, SALOMON GUEVARA, TO THE EFFECT THAT THE COMPANY HAS HAD LOSSES IN 1971, 1973 AND 1974, WHICH THE COMMUNITY DOES NOT ACCEPT. GUEVARA CLAIMED THE COMPANY HAS MADE PROFITS ON SHIPPING AND SALES.)

3. COMMENT: IN A RECENT CONVERSATION WITH HEADQUARTERS EXECUTIVE OF MARCONA, EMBASSY WAS INFORMED THAT MARCONA REMAINS HOPEFUL, AS REPORTED REFTEL, THAT GOP WILL ACCEPT MARCONA'S OFFER OF A MANAGEMENT CONTRACT. ACCORDING TO MARCONA OFFICIALS, MINING COMMUNITY LEADERSHIP HAS SYSTEMATICALLY REFUSED TO ACCEPT COMPANY CLAIMS OF LOSSES IN ORDER TO MAKE POLITICAL HAY, BUT THAT GOP IS FULLY AWARE OF ACTUAL STATE OF COMPANY BALANCE SHEETS AND DOES NOT ACCEPT WORKERS' CLAIMS AS VALID. GIVEN DECISION OF MINISTER TO ANNOUNCE THAT COMPANY WILL BE NATIONALIZED, ALTHOUGH TIME-FRAME NOT ESTABLISHED, IT APPEARS THAT GOP MAY BE NEARING DECISION ON MARCONA'S OFFER.
BARNEBEY

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